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DEPT FOR SA/INS
NSC FOR RICHELSON AND MILLARD

E.O. 12958: DECL: 02/06/2016
TAGS: [PGOV](#) [PREL](#) [NP](#)
SUBJECT: PACOM ADMIRAL FALLON DISCUSSES NEPAL WITH HOME AND
FOREIGN MINISTERS

REF: A. KATHMANDU 321

[1](#)B. KATHMANDU 172
[1](#)C. KATHMANDU 287
[1](#)D. KATHMANDU 286

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

[1](#)1. (C) In his meetings with the Foreign and Home Ministers on February 1, visiting PACOM Commander Admiral Fallon called for the King to begin reconciliation with the political parties. Foreign Minister Pandey assured the Admiral that Nepal was "ready to go to any extent" to improve relations with the United States. Pandey highlighted the King's address to the nation earlier in the day (ref A), and stressed that the King was committed to multi-party democracy. Home Minister Thapa similarly praised the King for realizing the magnitude of the Maoist threat and for taking control of the government on February 1, last year. Thapa promised that the government would "do our level best to bring the Parties into the mainstream," and outlined the government's plan to proceed with municipal elections on February 8. While Thapa admitted that things could be going better in Nepal, he stressed that the government had a "clear" approach to counter the Maoist insurgency using a comprehensive military and civilian strategy that entailed good governance and development activities. End Summary.

Admiral Urges King to Reach Out

[1](#)2. (C) On February 1, in separate meetings with Foreign Minister Pandey and Home Minister Thapa, PACOM Commander Admiral Fallon stressed the importance of the King taking visible steps to reach out to the political parties so that the legitimate political forces could work together to tackle the dangerous insurgency. The Admiral highlighted that while visiting the Royal Nepalese Army (RNA) headquarters (septel) he had seen areas where the United States could assist in strengthening RNA capacity to tackle the Maoists. In light of the estrangement between the legitimate political parties,

and in accordance with United States policy, he could not further assist the RNA until the King took concrete steps to enter into a dialogue with the political parties aimed at restoring representative government.

Nepal "Committed" to Relationship With the U.S.

13. (C) Pandey responded "categorically," that Nepal was "ready to go to any extent" for "a closer, substantial relationship" with the United States. Terming the U.S.-Nepal relationship "very, very important," Pandey highlighted Nepal's good historical relationship with the United States, explaining that Nepal was one of the few South Asian countries during the Vietnam War that supported the United States. Pandey commented that the Maoists, as communist terrorists, were "dangerous" to the United States as well as Nepal, noting that Maoist terrorism was motivated not by religion but by politics and ideology. Pandey added that a democratic India had failed to curb the Maoist threat and now it had spread to Nepal and was spreading to Bangladesh and beyond. Likewise, Thapa expressed appreciation for the Admiral's concern, and noted that Nepal was "committed" to all "international obligations," including United States Government conditions for supplying arms. He stressed that withholding arms and ammunition strengthened the Maoists, and asked the United States to understand "the dynamics" of Nepal, including the ability of Maoists to get arms through the open border with India.

Ministers Praise King for Action...

14. (C) Pandey highlighted the King's address to the nation earlier in the day on the one year anniversary of seizing power (ref A) and stressed that the King was committed to multi-party democracy. He lamented that the Parties "failed to see" that the Maoists' goal of a one-party totalitarian state left no room for them and asked the United States to "encourage" the Parties "to reciprocate the King's moves." Pandey highlighted the King's plan that "all" elected institutions be "reestablished" by April 2007. Pandey elaborated that the King, in his anniversary speech, had encouraged political party participation in a) a roadmap for peace; b) municipal elections; and c) decentralization of power to local, elected, bodies. Pandey promised that "if the Parties showed a small step toward reciprocity" then the King was prepared "to make a bold decision." The Admiral countered that the King was in a position of power, and that he needed to reach out to the Parties in a more visible way, such as suggesting a date, time and place for a meeting.

15. (C) Thapa highlighted the importance of following the King's election agenda. He promised that the government would "do our level best to bring the Parties into the mainstream" and stressed that it was "not a deliberate policy to put the Parties aside." Rather, he asserted that the government could not wait for the Parties to act. The Parties had ruled for ten years, and it was their "lack of attention and inconsistent approaches" to the Maoist threat as well as frequent changes in government and political instability that had enabled the Maoists to become a regional threat. Thapa noted that in the last ten years because of bad governance, the Maoists had shifted from a "rag-tag" group of a few hundred Maoists to a "standing army" with thousands of fighters and modern weapons, including AK-47s. Thapa praised the King for realizing the magnitude of the Maoist threat and for taking control of the government on February 1, last year.

...but Acknowledge that Things Could Be Better

16. (C) Thapa asserted that there had been improvements since the King took power last year, but admitted that this was "the most difficult time in Nepal's history." He explained that the people wanted peace immediately. He stressed that

the government had a "clear" approach: Maoists were not only a military problem, but needed to be addressed through a "comprehensive counter insurgency plan" that entailed many aspects including good governance and development activities.

He agreed that an "immediate peaceful negotiated settlement" was impossible as the Maoists could not be trusted. He concluded that the Maoists had to be dealt with "strongly" at this time. Pandey expressed concern over recent attempts by the Maoists to enter the Kathmandu Valley with AK-47s (ref B). He claimed that improved RNA intelligence had enabled the government to seize Maoist explosives at the border recently, but the government still did not know where the explosives were from or what the Maoists intended to do with them. Pandey linked this information to the government's arrest of politicians, noting that he had discussed security issues when the Ambassador had raised arrests with him in a recent meeting (ref C).

Moving Ahead with Elections

17. (C) Thapa allowed that the election process was "not smooth," but claimed he was "quite satisfied" with the participation in light of Maoist threats to candidates and their families. He predicted that many people would vote in the municipal election, though conceded the number would be lower than the last municipal election due to fear of Maoists. Highlighting his own background and leadership of a political party, Thapa lamented that the major political parties did not have a consistent policy on the Maoists and were now "collaborating" with the Maoists. He had some sympathy for Party claims that the King had pushed them toward the Maoists, but wondered how the Parties could choose to believe the Maoists had changed when the Maoists were engaging in violence against candidates. Despite Maoist violence, Thapa reported that one-hundred percent of the 58

municipalities had mayoral candidates, with 36 municipalities having more than one candidate, and 56 municipalities had candidates for deputy mayor. (Note: Press reports estimated that about half the seats have no candidates (ref D). End Note.)

Comment

18. (C) Both Ministers appeared to understand the Admiral's message that the King needed to take visible steps to reach out to the Parties not only in order to secure additional U.S. assistance to the RNA, but more importantly, to establish conditions necessary for the restoration of democratic institutions. As the Ministers also stressed the importance of the Nepal-U.S. relationship, we will encourage them to follow through and convey this message to the King. Until the King moves to engage the legitimate political forces in Nepal, an effective and comprehensive strategy to defeat the insurgency will remain out of reach.

19. (U) Admiral Fallon cleared this cable.
MORIARTY